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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF SOUTH CAROLINA

IN THE MATTER OF: )  
 )  
 )  
 )  
 Gordon R. Edenfield and )  
 Kristen Edenfield, )  
 )  
 Debtors. )  
 \_\_\_\_\_ )

Case No. 01-05332-W  
Chapter 7  
Asset Case

FILED  
02 JUL 22 PM 4:14  
SOUTH CAROLINA

**NOTICE OF OPPORTUNITY FOR HEARING AND  
(1) APPLICATION FOR SETTLEMENT AND COMPROMISE  
and (2) APPLICATION FOR SALE OF ASSETS FREE AND CLEAR OF LIENS**

TO: ALL CREDITORS AND PARTIES IN INTEREST:

YOU ARE HEREBY NOTIFIED on July 19, 2002, Ralph C. McCullough, II, as Trustee in the above-referenced bankruptcy filed this Application for Settlement and Compromise and Application for Sale of Assets Free and Clear of Liens in which he proposes to sell the property herein described free and clear of all liens and encumbrances according to the terms and conditions stated below. A copy of the proposed Order Settlement and Compromise and Authorizing Sale of Assets Free and Clear of Liens accompanies this Notice and Application.

TAKE FURTHER NOTICE that any response, return and/or objection to the Applications should be filed with the Clerk of the Bankruptcy Court and served on all parties in interest within twenty (20) days from the date of this notice.

TAKE FURTHER NOTICE that no hearing will be held on these Applications unless a response, return and/or objection is timely filed and served, in which case, the Court will conduct a hearing on **August 27, 2002 at 9:30 a.m.**, at the United States Bankruptcy Court, District of South Carolina, 1100 Laurel Street, Columbia, South Carolina. No further notice of this hearing will be given.

**(1) APPLICATION FOR SETTLEMENT AND COMPROMISE**

NATURE OF DISPUTE: Property of the estate includes the Debtors' interest in real estate located at 397 Medway Drive, 909 Summers Avenue, and 911 Fairway Drive all of which is situate in Orangeburg, Orangeburg County, South Carolina. Upon information and belief, the total fair market value of the real estate is between \$345,00.00 and \$373,333.00. Upon information and belief, there are various mortgages and liens held against the property in the approximate amount of \$365,556.89. However, the Trustee disputes mortgages given to the Debtor's mother, Jane C. Edenfield, dated January 16, 1999, in the amount of \$400,000.00. The Trustee asserts that the mortgages are invalid and can be set aside by the Trustee. Ms. Edenfield asserts the mortgages are valid and properly filed against the real estate held by the Debtors. Ms. Edenfield further asserts that there is no equity in the above described real estate due to her valid mortgage. Ms. Edenfield claims to be owed \$535,000.00

30/31/32

AMOUNT DISPUTED: \$400,000.00 mortgages of Jane C. Edenfield

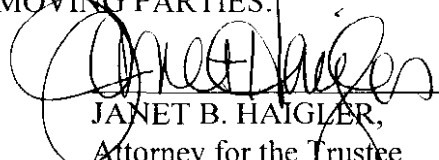
PROPOSED SETTLEMENT OR COMPROMISE: Counsel for the Trustee and his real estate agent have conducted informal discovery with H. Flynn Griffin, III, counsel for Ms. Edenfield, to clarify and determine the estate's interest in the real estate and to further developed the issues regarding the disputed Edenfield mortgage. During this process, a Contract of Sale was received on the property located at 397 Medway Drive. In order to facilitate this sale and resolve the dispute between the parties, Ms. Edenfield offered to subordinate her mortgage on the 397 Medway Drive property to the Trustee in the amount of \$30,000.00. In exchange for these funds, the Trustee will conclude the private sale of the 397 Medway property and turnover to Ms. Edenfield a portion of the sale proceeds on 397 Medway, as set forth more fully in the Application for Sale of Property below, to Ms. Edenfield, and transfer the estate's interest in 911 Fairway Drive, free and clear of liens and transfer the estate's interest in 909 Summers Avenue by Quit-Claim Deed.

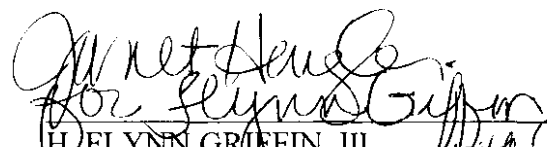
Based on the information and the documents produced, the Trustee has determined that it is in the best interest of the estate to settle the estate's dispute regarding the validity of Ms. Edenfield's mortgage by accepting the \$30,000.00 from the sale of the 397 Medway Drive property. The terms and conditions of the private sale of the 397 Medway Drive and 911 Fairway Drive are set forth more fully herein. Upon receipt of the \$30,000.00, the Trustee will issue a Trustee's deed to the Debtors' father, Mr. William Edenfield, for the Debtors' interest 911 Fairway Drive and a Quit-Claim deed to Ms. Edenfield for 909 Summers Avenue.

The attorney fees incurred to date by Trustee for investigating the liens against the real estate, reviewing title work, conducting informal discovery, settlement discussions with counsel for Ms. Edenfield, and preparation of settlement documents is approximately \$4,200.00.

BENEFIT TO THE ESTATE: Settlement of this matter is in the best interest of the creditors of the estate. In reaching this settlement, the Trustee has considered the value of the estate's interest in the real estate, the costs of bringing an action to contest Ms. Edenfield's mortgage, the probability of success in such litigation, the collect ability of a resulting judgment, the complexity, expense, inconvenience, and delay attendant to continued litigation, and the interests of the creditors of the estate.

MOVING PARTIES:

  
JANET B. HAIGLER,  
Attorney for the Trustee  
District ID No.: 5708  
P.O. Box 1799  
Columbia, S.C. 29202  
(803) 765-2935

  
H. FLYNN GRIFFIN, III  
Attorney for Jane C. Edenfield  
District Id. No. \_\_\_\_\_  
Post Office Box 76  
Columbia, S.C. 29202  
(803) 256-6400

**2. APPLICATION FOR SALE OF PROPERTY FREE AND CLEAR OF LIENS**

TYPE OF SALE:

- (1) Private Sale with reserve
- (2) Transfer of estate's interest in real estate located at 911 Fairway pursuant to terms of Settlement and Compromise set forth above.

**PROPERTY TO BE SOLD:**

(1) Estate's interest in real estate described as 397 Medway Drive and .10 acre, Orangeburg, Orangeburg County, South Carolina, TMS# 0151-09-03-021

(2) Estate's interest in real estate described as 911 Fairway Drive, Orangeburg, Orangeburg County, South Carolina, TMS# 0114-00-01-002

**PROPERTY IS SOLD "AS IS, WHERE IS"**

**PRICE:**

(1) \$140,000.00

(2) Trustee will receive \$30,000.00 in settlement proceeds and in exchange for said proceeds will transfer the estate's interest in 911 Fairway Drive, free and clear of liens, to William Edenfield.

**APPRAISAL VALUE OF ESTATE'S INTEREST:**

(1) approx. \$130,000.00 per debtor's schedules

(2) approx. \$150,000.00

**BUYER:**

(1) Tyrone and Denolis L. Wright, 1871 Dellwood Drive, Orangeburg, S.C. 29115

(2) The estate's interest in 911 Fairway will be transferred to William Edenfield

(1) UPON INFORMATION AND BELIEF, THE WRIGHTS HAVE NO CONNECTIONS WITH THE DEBTORS.

(2) WILLIAM EDENFIELD IS THE DEBTOR'S FATHER

**PLACE AND TIME OF SALE:** The closing on 397 Medway Drive and transfers of 911 Fairway and 909 Summers Ave will be held upon entry of Order authorizing sale.

**SALES AGENT/AUCTIONEER/BROKER:**

(1) Cobb & Sabbagha, 1126 Pine Croft Drive, West Columbia, S.C. 29170. Agent: Jack Cobb (803) 794-5152

(2) None.

**COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER, ETC.:**

(1) \$8,400.00 (Commission is based on six (6 %) percent of the gross proceeds of sale)

(2) None

**ESTIMATED TRUSTEE'S COMPENSATION ON SALE:** Approximately \$10,250.00, however Trustee's compensation will not exceed the limits set forth in 11 U.S.C. §326(a).

**LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY:** The Trustee is informed and believes that there are several mortgages and/or judgments filed against 397 Medway and 911 Fairway. The mortgages and judgment creditors are as follows:

1. On or about January 16, 1999, the Debtors gave two mortgages to Jane C. Edenfield in the amount of \$400,000.00.

2. On or about March 13, 2000, the Debtors gave a mortgage to Branch Banking and Trust ("BB&T") in the amount of \$50,000.00 which is secured by the real estate located at 397 Medway. The approximate amount due on the mortgage is \$31,308.15 (as of 08/27/02). Ms. Edenfield subordinated her mortgage to this mortgage.
3. On or about February 15, 2001, BB&T received a judgment, Judgement Roll #2001-220, against the Debtors in the amount of \$29,733.90. The judgment is unsecured since the mortgages on all the property owned by the Debtors exceed the value of the properties.
4. On or about May 23, 2001, PYA/Monarch, Inc. received a judgment, Judgment Roll # 2001-598, against the Debtor in the amount of \$9,526.88. The recording of this judgment constitutes a preferential transfer which may be avoided by the Trustee pursuant 11 U.S.C. §547.
5. On or about December 31, 2001, The Bancorp Group, Inc. received a judgment, Judgment Roll #2001-1448, against the Debtor in the amount of \$43,185.74. The entry of this judgment occurred after the filing of the Debtors' Chapter 7 Bankruptcy filing. The Trustee may avoid this post-petition transfer pursuant to 11 U.S.C. §549.
6. On or about January 25, 2002, RBC Centura Bank filed a Complaint in Orangeburg County, Civil Action Number 02-CP-38-89, against the Debtors. The Complaint was filed after the filing of the Debtors' Chapter 7 Bankruptcy filing. The Complaint is an action to collect a pre-petition Debt, which action violates the provisions of 11 U.S.C. §362.

From the gross sale proceeds, the Trustee proposes to pay the following:

1. The Trustee intends to pay BB&T's mortgage on 397 Medway Drive in full from the sale proceed. In exchange for these funds, BB&T will satisfy the mortgage and mark paid in full;
2. None of the judgment creditors will be paid from the sale proceeds. The judgment creditors and complaint creditors may file a general unsecured claim against the estate for a deficiency claim. Allowed claims will be paid from funds held by the Trustee for the benefit of the estate and pursuant to further Order of the Court.
3. The Trustee will retain \$30,000.00 of the sale proceeds for the benefit of the creditors of the estate;
4. Real estate commission on the sale of 397 Medway Drive is approximately \$8,400.00.
5. The expenses of sale as set forth more fully below; and
6. The remaining sale proceeds after payment of costs, commissions and expenses set forth herein will be paid to Jane C. Edenfield in settlement of her disputed mortgage. In exchange for these funds, Ms. Edenfield will record a satisfaction of mortgage as to the property located at 397 Medway Drive.

The remaining judgment and Complaint creditors will not receive any of the sale proceeds and the real estate will be sold free and clear of liens. These creditors may file a Proof of Claim with the United States Bankruptcy Court requesting an unsecured claim against the \$30,000.00 retained by the Trustee.

EXPENSES OF SALE: Expenses of sale will include, but not be limited to, legal fees and expenses to Finkel & Altman, L.L.C. to close the sale on the real estate; approximately \$518.00 in deed transfer fees to Orangeburg County Clerk of Court; \$20.00 for recording of deeds and approximately \$20.00 for recording satisfactions of liens to Orangeburg County Clerk of Court; 2001 delinquent taxes on 397 Medway Drive in the amount of \$1,137.03; estate's pro-rata share of real estate taxes on 397 Medway Drive in the approximate amount of \$627.48; approximately \$499.00 to Esquire Title Company for the title searches on the real property; all to be paid at closing, except for the legal fees and costs to Finkel and Altman, L.L.C.

DEBTOR'S EXEMPTION: None

PROCEEDS ESTIMATED TO BE RETAINED BY ESTATE: \$30,000.00

Applicant is informed and believes that it would be in the best interest of the estate to sell said property by Private Sale. Applicant also believes that the funds to be recovered for the estate from the sale of said property justify its sale and the filing of this Application.

Any party objecting to the trustee's settlement or sale must do so in writing, and in accordance with SC LBR 9014-1. All objections should be filed with the Clerk of Court, United States Bankruptcy Court, 1100 Laurel Street, Post Office Box 1448, Columbia, South Carolina 29202, with a copy served on the trustee or debtor in possession, as applicable, at the address shown below. A copy of the objection should also be served on the United States Trustee, AT&T Building, 1201 Main Street, Suite 2440, Columbia, South Carolina 29201. **All objections must be filed and served within twenty (20) days from the date of this notice in accordance with the terms recited herein.** If an objection is filed and served, a hearing will be held on the objection at the date and time noted on the Notice of Application and Opportunity for Hearing.

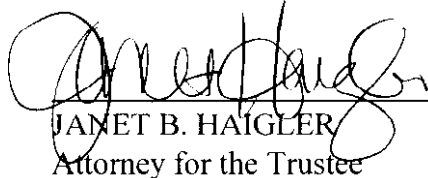
The Court may consider additional offers at the hearing held on an objection to the sale. The Court may order at this hearing that the property be sold to another party on equivalent or more favorable terms.

The trustee or debtor in possession, as applicable, may seek sanctions or other similar relief against any party filing a spurious objection to this notice.

Applicant requests that F.R.B.P. 6004(g) not be applicable in this matter and that Trustee be able to immediately enforce and implement any Order Authorizing Settlement and Compromise and Sale of Assets Free and Clear of Liens associated with this Notice.

WHEREFORE, Applicant requests the Court to issue an Order Authorizing Settlement and Compromise and Authorizing Sale of Assets free and clear of liens, waiving F.R.B.P. 6004(g) as relates to the Order Authorizing Settlement and Compromise and Authorizing Sale of Assets free and clear of liens as associated with this Notice thereby allowing Applicant/Trustee the right to immediately enforce and implement the Order Authorizing Settlement and Compromise and

Authorizing Sale of Assets Free and Clear of Liens and for such other and further relief as may be proper.

A handwritten signature in black ink, appearing to read "Janet B. Haigler", is written over a horizontal line.

JANET B. HAIGLER  
Attorney for the Trustee  
Finkel & Altman, LLC  
Post Office Box 1799  
Columbia, South Carolina 29202  
(803) 765-2935  
District Court I.D. No.: 5708

Columbia, South Carolina  
1-19, 2002.

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